

House Republican Press Release

June 23, 2005
Press Office: 860-240-8700

Reps Floren, Powers: Repeal or Change Estate Tax Or Face Population Loss In Fairfield County



The arbitrary and burdensome tax on estates valued at \$2 million or more approved recently by the Democrat-controlled General Assembly may cost more than it gains in revenue, state Representatives Livvy R. Floren and Claudia “Dolly” Powers said today.

“This tax is even worse than the so-called ‘millionaires tax’ the majority Democrats were proposing earlier this year. There is a very real potential loss to the overall tax base because people will forego their Connecticut residency by moving to a more tax friendly state for six months and one day,” said Representative Powers, R-151st District, who, along with Representative Floren, R-149th District, voted against the tax increase and will be working to repeal or substantially change it during the 2006 legislative session. “Many of our constituents have told us they will simply vote with their feet and leave Connecticut rather than have much of their equity confiscated by the state after they die.”

“For starters, this tax is discriminatory. Primary domiciles should be automatically exempt,” Representative Powers said. “People who have worked all their lives, paid taxes on the money they earned and invested in buying and improving their homes should be able to pass those homes on to their heirs without penalty. Spouses should be assured that they will not suffer financially when their husbands or wives die. The spousal exemption from the estate tax should be made permanent.”

“If the tax cannot be repealed, at the very least the minimum value for estates subject to the tax should be increased to more than \$2 million,” Representative Floren said. “In Fairfield County, where property values are increasing faster than elsewhere in the state, homes that were purchased two or three decades ago have tripled or quadrupled in value. Property owners should be able to bequeath their residential properties to less affluent heirs without having to take into account their ability to pay onerous estate taxes.”

“The estate tax should not have been designed as a “cliff tax” that kicks in if the value of an estate exceeds \$2 million by just one dollar. This is a misleading and unfair feature of the new tax. Why should an estate valued at \$2,000,001 be subject to the full tax when an estate worth \$2 million or a dollar less is not? This is an intrinsically unjust burden that needs to be corrected immediately,” Representative Powers said.

“Lastly, the estate tax should not have been retroactive to January 2005. Many wills were in probate well before this tax increase was approved as a part of the budget voted upon in June 2005. Making the tax retroactive changed the rules in the middle of the game and that is unfair to heirs who are being subjected to possible delays while wills are being settled because the people who devised this tax wanted to scrounge a few dollars more from the dead. Connecticut is a great place to live but a terrible place to die,” Representative Floren said.